



**APPROVED**

**SUMMARIZED MINUTES**

**CITY OF SCOTTSDALE  
TRANSPORTATION COMMISSION  
REGULAR MEETING**

**Thursday, June 18, 2020**

**Meeting Held Electronically and Remotely**

**1. CALL TO ORDER**

Chair Graham called the regular meeting of the Scottsdale Transportation Commission to order at 5:15 p.m. He reviewed some housekeeping items, including asking that everyone identify themselves when they speak.

**2. ROLL CALL**

**PRESENT:** Barry Graham, Chair  
Pamela Iacovo, Vice Chair  
Don Anderson  
George Ertel  
Michael Kuzel  
B. Kent Lall  
Mary Ann Miller

**STAFF:** Dan Worth, Executive Director, Public Works  
Ratna Korepella, Principal Transit Planner  
Anne Harrison

**3. PUBLIC COMMENT**

There were no public comments.

#### **4. APPROVAL OF MINUTES**

Regular Meeting of the Transportation Commission – February 20, 2020

Chair called for comments/changes. Commissioner Ertel stated that he was impressed with how accurately and completely the minutes are composed. He provided one grammatical correction.

COMMISSIONER ERTEL MOVED TO APPROVE THE REGULAR MEETING MINUTES OF THE TRANSPORTATION COMMISSION ON FEBRUARY 20, 2020, AS AMENDED. VICE CHAIR IACOVO SECONDED THE MOTION, WHICH CARRIED 7-0 WITH CHAIR GRAHAM, VICE CHAIR IACOVO AND COMMISSIONERS ANDERSON, ERTEL, KUZEL, LALL AND MILLER VOTING IN THE AFFIRMATIVE WITH NO DISSENTING VOTES.

#### **5. COVID UPDATE**

Dan Worth, Executive Director, Public Works, reviewed a list of key events that have shaped the City's actions over the past few months. The first patient was treated for COVID less than four months ago. A state of emergency was called by the Mayor in mid-March. There were significant impacts to businesses throughout the City, with the closing of bars, theaters, gyms and various nonessential entities. In late March, most City facilities were closed to the public, including suspension of trolley service on March 25th. Currently, the Governor's executive stay home order is being lifted, with the opening of City facilities and phased resumption of activities, the economy and the population at large. There has been an increase in cases statewide in recent weeks. The Governor issued a directive yesterday to allow municipalities to consider implementation of measures, including use of masks in public places. Valley Metro and Phoenix Transit have continued to provide service throughout the pandemic. Scottsdale chose not to do so, as it did not have confidence that it could adequately protect trolley riders. The decision also considered the significant reductions in ridership previous to the stay home orders by a volume of 50 percent.

Other City actions included cancellation of several meetings. City Council resorted to meeting by Zoom and has now had two in-person meetings, with significant modifications for social distancing. Most other board and commission meetings have moved to a Zoom format. Due to logistical restraints, staff could not support the holding of meetings for all boards and commissions and as such, they were limited for several months. There was prioritization of meetings that had statutory requirements for votes and other actions, such as those of the Development Review Board and Planning Commission. Staff have also employed telecommuting where possible, including working from home and alternating schedules.

Precautions are being taken to prevent the spread of COVID to the extent possible, however, there are people who have had family members tested positive. Those with family members who have tested positive are asked to go home until it is determined they are not infected. Once the employee leaves, a thorough disinfection and deep cleaning is performed of the areas the individual has been in. It is difficult to generate infection statistics for staff, because staff members are not necessarily required to report infections. The recent uptick in cases means that some facilities that were slated to reopen have been delayed.

The CARES Act has provided several grants and funding. A recent special City Council meeting that dealt entirely with the City's plans to utilize \$29 million in CARES Act funding, which the

Governor announced was being released to Scottsdale. There was a separate CARES Act grant for transportation via the FTA to Scottsdale for \$2.28 million. The funds may be used retroactively to January 20th, 2020 to cover operating costs associated with the trolley system from that date forward. The grant will be used to fund modifications as well as the resumption of services, which is scheduled for August 3rd. Scottsdale schools are scheduled to reopen in August and the trolley system will be an important mode of transportation. In terms of modifications, three of four routes will be open at reduced hours. The downtown route will not resume initially. There will not be service on weekends.

Vice Chair Iacovo noted that transit was considered an essential service throughout the country. And as such, she questioned whether the City was okay with pausing service until such time it was determined to resume. She further questioned whether Scottsdale was free to make this choice because it is a local versus regional entity. Mr. Worth stated that Scottsdale is part of a bigger picture in terms of transit. When Scottsdale made its decisions, Phoenix Transit and Valley Metro were notified. Both Phoenix Transit and Valley Metro gave Scottsdale a great deal of latitude, because it is a local system, fully funded by the City.

In response to a question from Commissioner Ertel about the percentage of callers who seeking assistance with alternative transportation were satisfied with the responses provided by staff, Mr. Worth acknowledged that he was not in possession of actual statistics, however the call volume has been fairly small at only 10 to 20 calls total. All calls are tracked. Most callers have indicated satisfaction with the assistance provided, while also looking forward to resumption of trolley service.

Commissioner Miller stated that she agrees with a phased approach, as businesses are also phasing up, however she asked about the reasoning for resuming service on August 3rd. Mr. Worth stated that they were anticipating a school resumption date in early August. The beginning of August was also the earliest time frame they were comfortable with inputting data into the bus dispatch system.

Chair Graham asked for Mr. Worth's thoughts on the City's announcement for a mandatory mask requirement in public places and how this will affect transportation. Mr. Worth said he was unaware of the announcement. However, on Tuesday, the City Council of Phoenix did make mask usage mandatory on its transit systems. Earlier today, Valley Metro made the same announcement. As such, it has been anticipated that when Scottsdale resumed service, they would follow suit. The City of Phoenix and Valley Metro have also put in place other measures, such as using only rear doors for entering and exiting. This limits interaction between the rider and driver. They also limit capacity to approximately 50 percent, to allow for greater distancing. It is anticipated that Scottsdale will implement the same safety measures.

In response to a question from Chair Graham, Mr. Worth acknowledged that the 68th and Camelback Trolley crosses into the Salt River Pima-Maricopa Community as it goes down Chapparal to Scottsdale Community College. He is unaware of what measures SRP-MIC has taken regarding public mask usage or guidelines. Scottsdale is endeavoring to maintain a high level of uniformity across the transit system.

Chair Graham asked about the most significant changes to the City's transportation system. Mr. Worth stated that there have been major impacts and not all of them are negative. There has been much less traffic since the beginning of March. The reduction in volume has provided flexibility for some activities. Normally, there are moratoriums on major road construction. With

the ease in traffic, there has been significant construction, not necessarily by the City but by private utilities and development. Accident rates are also down.

Chair Graham inquired as to any alteration in plans due to the recent increase in infection rates. Mr. Worth confirmed that some facilities rescheduled to open this week have been deferred. Senior centers will remain closed until July. The requirements of Phoenix and Valley Metro for riders to wear masks is a direct response to the resurgence. They are currently taking a greater degree of precaution than they have since the response began. Scottsdale's trolley resumption date may even have to be reconsidered, depending on the level of infection resurgence.

Chair Graham asked about the employment status of trolley drivers. Mr. Worth said that the operators are provided under contract with RTW. The City continues to pay a very reduced fee to RTW, which did institute a reduction/furlough of staffing. A small number of drivers were retained on staff to assist with the moving of trolleys for maintenance and other functions.

Commissioner Anderson asked about a scenario where trolleys will carry masks for riders who do not have them. Mr. Worth said this is to be determined, based on several factors. The City is not yet even requiring masks across the board with its employees. Currently, the guideline is that masks are to be worn by City staff if they directly interface with the public or if they cannot maintain a six-foot safe distance from other employees or members of the public. Staff are currently reviewing the stockpile and the ability to obtain additional masks. If there is capacity to provide them to trolley riders, they would likely do so. The first requirement is to prevent employees from spreading the disease to members of the public.

Commissioner Lall asked when City Council will vote on mask requirements for the public. Mr. Worth stated his understanding that this would come via emergency declaration by the Mayor. Chair Graham confirmed that within the last 30 minutes, the Mayor has issued an emergency proclamation for the wearing of masks in public places where six feet of social distancing cannot be maintained. The proclamation is effective as of Friday, June 19th at 5:00 p.m. This includes restaurants, grocery stores, public transportation, gyms and similar facilities.

Chair Graham addressed the importance of having an action item to discuss approval of the current trolley suspension. Such a motion would state that the Transportation Commission approves the February suspension and planned resumption of the trolley, having studied the impacts of the suspension as it resumes trolley service. Commissioner Ertel requested that he repeat the motion language.

CHAIR GRAHAM MOVED TO STATE THAT THE TRANSPORTATION COMMISSION SUPPORTS THE TEMPORARY SUSPENSION OF THE TROLLEY AND THE DEPARTMENT'S STUDYING OF THOSE IMPACTS IN THE CONTEXT OF RESUMING TROLLEY SERVICE.

Discussion:

Commissioner Miller said she is not comfortable voting to approve an action that occurred several weeks ago without input by the Commission. However, she would support the slow resumption of trolley service, based on the plans presented and with consideration of changing conditions going forward. Commissioner Lall stated that this makes sense, particularly in terms of a phased resumption. Commissioner Ertel agreed that there is no sense in approving an

action that has already occurred. The important element is what Mr. Worth described as the reassessment of changing conditions and not a rush to immediately return to the "old normal."

Chair Graham asked for Commission suggestions on modification of the motion. Mr. Lall recommended the following: Make a motion to approve the resumption of trolley service, as proposed by Mr. Worth, while giving the flexibility to make adjustments as conditions change.

Chair Graham restated the motion as follows:

CHAIR GRAHAM MOVED TO SUPPORT THE RESUMPTION OF SCOTTSDALE'S PUBLIC TRANSIT, WHILE GIVING STAFF FLEXIBILITY TO EVALUATE THE TIMING AND SCOPE OF RESUMPTION.

Commissioner Ertel suggested the addition of the following clarifying language: Resumption of transit services, subject to a reevaluation of current and anticipated needs.

Chair Graham restated the motion as follows:

CHAIR GRAHAM MOVED TO SUPPORT THE RESUMPTION OF SCOTTSDALE'S PUBLIC TRANSIT SERVICES, WHILE GIVING STAFF FLEXIBILITY ON ASSESSING THE TIMING AND SCOPE OF TRANSIT NEEDS.

Commissioner Ertel asked whether it is just a matter of granting flexibility or encouraging staff to look at the issue critically. Chair Graham said the intent was not for the absence of a critical analysis. Staff should be advised to look at the situation with an objective and open mind. Commissioner Lall pointed out that Mr. Worth did discuss continuous evaluation.

Chair Graham restated the motion as follows:

CHAIR GRAHAM MOVED TO SUPPORT THE RESUMPTION OF SCOTTSDALE'S PUBLIC TRANSIT SERVICES, SUBJECT TO AN ONGOING, OBJECTIVE EVALUATION OF ANTICIPATED NEEDS. COMMISSIONER ERTEL SECONDED THE MOTION.

Commissioner Lall suggested the addition of "public input" at the end of the motion. Chair Graham stated that at face value, the suggestion makes sense, however his view is that the Commission is serving as the public input in this particular scenario.

Commissioner Lall then restated and moved for the motion as follows:

COMMISSIONER LALL MOVED TO SUPPORT THE RESUMPTION OF SCOTTSDALE'S PUBLIC TRANSIT SERVICES, SUBJECT TO ONGOING OBJECTIVE EVALUATIONS AND WITH CONSIDERATION BASED ON PUBLIC NEEDS AND INPUT. COMMISSIONER ERTEL SECONDED THE MOTION, WHICH CARRIED 7-0 WITH CHAIR GRAHAM, VICE CHAIR IACOVO AND COMMISSIONERS ANDERSON, ERTEL, KUZEL, LALL AND MILLER VOTING IN THE AFFIRMATIVE WITH NO DISSENTING VOTES.

## **6. BUDGET UPDATE**

Mr. Worth reviewed the City budget process, which begins in October before receiving review and input by the City Manager in January. The City Manager proposed budget is then

developed and presented to Council in February or March. This year, the process was modified, due to the pandemic. Key changes were reviewed, including a reduction in revenue from an annual \$54 million this year to \$40 million next year. Notably, this includes an accounting change. Last year, when putting together 19/20 (current year adopted budget), the one-tenth percent sales tax was a new element. It was accounted for as revenue in the Transportation Fund. The \$12 million sales tax collected through the program shows in revenues as part of the \$54 million and was then transferred out to the CIP program. In summary, the apparent reduction of \$14 million includes this \$12 million transfer out, reflecting a true net decrease in revenues of \$2 million. The \$2 million reduction from a total \$25 million budget does reflect an 8 percent reduction overall. While revenues have been down, expenditures have also been reduced by approximately \$2 million.

Commissioner Miller asked whether there is an expectation that there will be more money available than was included in the adopted budget. Mr. Worth described the scenario as “a little bit of apples and oranges.” The budget projections are updated throughout the course of the year. The ending balance that was anticipated over a year ago changes, due to circumstances. The City did well with revenues this year. Even with four months of reduced revenue, due to COVID, the City was well ahead of revenue projections in February. This outlook is combined with reductions already made this year, such as pausing trolley service, which results in a savings of \$400,000 per month. The ending balance is a little healthier than was expected a year ago, when the 19/20 budget was adopted.

Mr. Worth stated that even with all the hurdles of the past months, it is anticipated that the Transportation Fund will still run at a surplus. In the City’s overall budget, a surplus is also projected for the General Fund, although the total surplus will be much smaller than anticipated. The proposed surplus was reduced from a \$15 million surplus to a \$3 million surplus. The projected revenue reduction in the General Fund for the upcoming year is projected at 6 percent.

At the onset of the pandemic, there were a multitude of predictions in terms of sales tax revenues and recovery timelines. Sales tax revenues are derived from various sectors. This includes miscellaneous retail (small retail establishments), rentals and automotive. Projections indicate that miscellaneous retail will see a 14 percent reduction, rentals at zero reduction and automotive at 8 percent reduction. The most significant reductions are affecting the hotel industry as well as restaurants. However, as important hotels and restaurants are to the City, in terms of sales tax, they represent a small portion of the total.

The City has instituted cost-cutting measures, including elimination of performance pay raises for employees for the coming year and have eliminated the third year of a three-year market adjustment across the board. This results in an approximate \$8 to \$9 million overall reduction. The City has not instituted furloughs or significant layoffs. In terms of total employment, the City’s number peaked 12 years ago at 2,800 employees. In response to the 2009/10 recession, layoffs were instituted and reduction in positions resulted in a reduction of 10 percent of the workforce. The City has not returned to those pre-recession number in terms of employee count and despite growth in City population. Some position reductions, additions and transfers were reviewed. One of the methods to reduce personnel costs is through holding positions vacant, based on business need. The City Manager has provided flexibility in this regard.

Some City services were shut down in response to COVID, including libraries and recreation programs. This temporarily displaced workers in Community Development Services, Parks and Recreation, libraries and other programs. They were not laid off, but temporarily deployed in other areas. An example is a maintenance worker who has been temporarily moved into

Transportation to assist with keeping paths clear. This worker is still being paid by his home department, which represents a savings to the Transportation Department. Still slated for recruitment is a department director. A second advertisement has been issued and two individuals were interviewed including an individual currently serving as a deputy director in the Streets Transportation Department and the other currently serving as the Executive Director of the Central Yavapai Municipal Planning Organization. An offer will likely be forthcoming for one of the individuals in the near future. The City lost its paving manager last week and the position has been filled with an interim appointment from the Capital Projects Management Department. In the meantime, recruitment has begun for this position as well.

As a result of reclassification, the Planning Manager position has been split into a Planning Manager position and Transit Manager position. Both positions were formerly under one manager. The split was in recognition of the importance of the programs and dollar values associated with the programs. The Transit Manager position was reclassified and offered to Ratna Korepella, who has been serving in the interim position. She was recently the Senior Transit Planner. She has accepted the position and is now officially the Transit Manager. The Planning Manager recruitment is scheduled to be open by the end of the week. Ms. Korepella's vacated position now will be open, as the Transit Senior Planner. These are critical positions and the Department has permission to fill them.

In May, City Council approved the tentative budget for next fiscal year. The tentative budget still shows a reduction, accounting for the \$400,000 monthly savings for cessation of trolley service. It was not known when services would be returning, so there was a rough assumption for resumption as of October 1st. With the phased resumption, including three routes, instead of four, weekdays, but no weekends and 13 hours of operation versus 16 hours, the monthly cost is \$237,000 compared to the \$400,000 previously spent per month. If those levels are maintained through the fiscal year, the total savings will be \$2.2 million.

Vice Chair Iacovo asked whether the City risks loss of funding as it limits service and cost. Mr. Worth explained that the City pays Valley Metro and Phoenix Transit for fixed service in Scottsdale. The City received regional funds to cover a portion of the cost and will continue to receive roughly the same amount of regional funding. In fact, the City will be receiving more funding, due to measures the City is taking with Valley Metro and Phoenix. The City receives an allocation of regional transit funding and has been underspending it. Ms. Korepella has been working successfully on measures to help the City spend closer to its full share. The City has also accepted a \$2.8 million CARES transit grant, which save costs from coming out of local sales tax-generated funding. The bulk of the funding for the trolley is local. As such, any savings can go to other City transportation programs.

Other budget changes were discussed, including:

- Deferral of scheduled replacement of some service vehicles for one year
- Decreased transfer of two-tenths percent sales tax to the CIP (as a result of reduced sales tax revenues)
- Personnel cost saving related to no raises or market adjustments
- Safe Routes to School Coordinator grant position not filled due to school closures
- Reduced local spending on fixed route transit

Scottsdale receives an allocation from Prop 400 annually for capital projects, freeways and transit. Some municipalities spend more than their target and some spend less. Scottsdale

has spent less and has accrued a surplus for a number of years. In order to achieve the equity requested by Valley Metro and MAG, the City should be spending approximately \$1.5 million per year more than it has historically. Scottsdale has been using Phoenix Transit for fixed route service in the amount of \$300,000, with some coming from regional funding. Ms. Korepella was recently successful in obtaining approval to pay this amount with regional funding. This means that the Department will be able to keep \$300,000 of Transportation sales tax funding. Ms. Korepella has also been successful in getting an additional \$200,000 to pay for the City's participation in Ride Choice. This means that for the life of the program (five years), approximately \$500,000 more in regional funding for the City will be used for the described purposes. Staff is currently working with Valley Metro on ways to spend the remaining \$1 million.

There have been some FY 2020/21 changes to the proposed CIP budget. The proposed budget presented to City Council pre-COVID and subsequently scrapped projected that the Department would have approximately \$20 million at the end of five years, if it implemented everything in the CIP. When sales tax forecasts were updated, the reduction in revenue was approximately \$4 million, which reduced the CIP by that amount, to \$16 million. Items removed from the fifth year of the budget cycle to cover the loss were those items in Y accounts (recurring accounts), such as pavement maintenance, traffic signal construction, sidewalk improvements, bikeways, intersection improvements and traffic management. It is anticipated that when the budget reaches Fiscal Year 2024/25, they will be able add the items back into the budget cycle. The one-tenth percent sales tax will be used to provide the local match required to complete the City's ALCP projects through MAG. The slate of ALCP projects remains unmodified.

Vice Chair Iacovo referred to the slide that indicated the ITS Signals Program showed a negative balance and requested clarification. Mr. Worth stated that it was a project in the CIP in prior years. The project was reconfigured and the Department applied for and received grant funding. A new project was identified, ITS infrastructure and network improvements. Grant funding makes up the difference between the \$1 million in the new project and the \$2 million in the old project. Vice Chair Iacovo and Commissioner Miller thanked Mr. Worth for the presentation.

Commissioner Ertel noted Mr. Worth's confidence in terms of the revenue outlook. He asked about contingency plans to further reduce budget expenses in the event that a second wave of the pandemic impacts revenue. Mr. Worth stated that staff is guardedly optimistic in its sales tax projections, however if another round of closures occur, those projections may prove to be overly optimistic. Advantages include the CARES Act Transit Grant, for which the Department is confident it will be able to generate \$2 million in reimbursable expenses. In addition, the Department is working with Valley Metro to garner more regional funding. Notably, the Department has not yet touched its Transportation Fund Reserve of approximately \$5 million nor its \$4 million surplus.

## **7. OTHER TRANSPORTATION PROJECTS AND PROGRAM STATUS**

Mr. Worth reviewed intersection improvements:

- Jomax and 116th street: Addition of left turn bay and pedestrian refuge
- Scottsdale Road at Dove Valley Road: Raised median
- Pima Road and Legacy Boulevard: Extended and increased left turn storage capacity
- Camelback Road and 82nd street: New median



Traffic signal improvement projects include:

- McDonald and Granite Reef Road: Upgrading poles and mast arms, add left turn phasing for eastbound and westbound traffic
- Scottsdale Road and Chaparral Road: Removing and upgrading poles and mast arms for better signal phasing.

Bike lanes, sidewalks, paths and trails projects include:

- McCormick Ranch bike lanes and traffic calming: Restriping for traffic calming, installation of speed feedback signs (feedback signs funded by McCormick Ranch POA)
- Mountain View Road sidewalk gap and crosswalk improvements
- Pinnacle Peak Ranchos Trails project (Pima Road & Lone Mountain Road area) community and trail connections and trail improvements
- Cactus Path at Cactus Road and 96th Street: Addition of solar lighting

Commissioner Anderson asked for clarification that the intent of the McDonald and Granite Reef road improvements is to replace the mast arms and poles to allow for future left hand turn improvements or whether that will be done in conjunction with the pole replacement. Mr. Worth stated that to his understanding, the improvements are being made at the time of pole replacement. In response to a question from Commissioner Anderson about the project timeline, Mr. Worth stated that it should be completed this summer.

Mr. Worth stated that based on a Transportation Commission request, the Department has created an active transportation map, now available via mobile app and geolocation capability.

Upcoming requirements for the Department include attendance at three successive City Council meetings on June 30th, July 1st and July 2nd. The July 1st meeting will be used to discuss how CARES Act funding of \$29 million will be spent. The consent agenda also includes items pertaining to the Department, including right-of-way acquisition for the ongoing Osborn Road Complete Street project, which is currently in design and will include a roundabout anticipated at Osborn and Miller. Another consent item will authorization a construction bid award for trailhead improvements at the southeast corner of Pima and Dynamite. The last item is the engineering services contract for design of Scottsdale Road from Jomax to Dixileta. This project is part of the ALCP.

## **8. PUBLIC COMMENT**

There were no public comments.

## **9. COMMISSION IDENTIFICATION OF FUTURE AGENDA ITEMS**

Discussion ensued regarding the July meeting. Mr. Worth noted that the current guidance is for meetings to be held remotely until July 10th and after that time they are scheduled to be in person. The next tentatively scheduled meeting would be July 16 at the Kiva. Guidelines for meetings are subject to change with little notice. There was ultimately consensus for Commissioners to review their calendars to determine whether a quorum will exist for a July meeting.

## **10. ADJOURNMENT**

With no further business to discuss, being duly moved by Commissioner Ertel and seconded by Vice Chair Iacovo, the meeting adjourned at 7:57 p.m.

AYES: Chair Graham, Vice Chair Iacovo, Commissioners Anderson, Ertel, Lall, Kuzel and Miller.

NAYS: None

SUBMITTED BY:

eScribers, LLC

**\*Note: These are summary action meeting minutes only. A complete copy of the audio/video recording is available at <http://www.scottsdaleaz.gov/boards/transp.asp>**